

Testimony before the Appropriations Committee Concerning Governor Malloy's Proposed State Budget

February 17, 2012

Good evening Senator Harp, Representative Walker, and committee members and thank you for the opportunity. My name is Martin Morrissey. I am the Executive Vice President of Continuum of Care, Inc. and Continuum Home Health, Inc., a non-profit New Haven based home care provider.

Continuum Home Health was founded in 2001 by our sister company Continuum of Care, a non-profit provider of residential support services with the expressed purpose of delivering skilled nursing care to a fragile and burgeoning population of mentally ill and developmentally disabled patients. We have proven over the past decade that personalized residential support integrated with nursing care tailored to the behaviorally ill allows our patients to live independently in the community. Hospitalizations and institutionalizations are reduced by this model. Our patients frequently enter or return to the workforce, mentor their peers, and live lives once thought to be nothing but a dream. The economic costs of this coordinated care model are a mere fraction of any alternatives.

Continuum Home Health today has a patient census of 427, 98% of whom are covered by Medicaid. Most patients are referred to Continuum Home Health from social service providers, urban healthcare clinics, or psychiatric institutions. They are the very needy urban poor who prior generations preferred to institutionalize in state hospitals and nursing homes. We provide them with the help they need to achieve independence and in many cases become productive members of society.

While 85% of these individuals have primary diagnoses indicating major psychiatric disorders, 82% also have secondary diagnoses of a medical nature, predominantly diabetes and cardio pulmonary disease. Each case is complicated, each case demands a coordinated care plan, and, when done right, each case can be a success story that social service and medical professionals will applaud.

Continuum Home Health will perform approximately 140,000 patient visits this year, 86% will be reimbursed at medication administration rates. Our average reimbursement per visit is \$55. Quite frankly, a 10% rate reduction will put us out of business. I attach our most recent tax return which shows that for the two years ended June 20, 2010 our margin was less than 1%. A 10% rate cut will amount to a clearly unsustainable loss of more than \$700,000. We will have to close. We will have to lay off 100 employees, sell what few assets we have and hope we can satisfy the lenders who have helped us build this organization of which we have been so proud.

What about our patients? The average Continuum Home Health patient takes more than six prescribed medications per day and needs a licensed nurse to assess their health status, make sure the medications are as ordered and taken appropriately, communicate with their physicians and clinical providers, coordinate with the pharmacy, and help them navigate the entitlement quagmire. It is irrefutable that should Continuum Home Health cease to exist, the result will be gridlocked emergency rooms, hospitalizations, and institutionalizations. This will be accompanied by medication errors, non compliance with physician directives, illness and death. New Haven is quite likely to be plagued by a public health and a public safety crisis that can easily be avoided by recognizing what an efficient and comprehensive system we have now and appreciating the everyday success stories. There has been no increase in our Medicaid rates for four years. Our nurses haven't seen raises for three. We are barely making it now.

Enlightened public policy has yielded great progress in reducing the institutionalization of the behaviorally ill. Continuum Home Health is proud to have contributed to this accomplishment. We are convinced however that we will cease to exist should these cuts materialize and do not know where our patients will go when that happens. Thank you for your time.

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2009Open to Public
Inspection**A** For the 2009 calendar year, or tax year beginning **JUL 1, 2009** and ending **JUN 30, 2010****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

Please use IRS label or print or type.

See Specific Instructions.

C Name of organization**CONTINUUM HOME HEALTH, INC.**

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

399 ORANGE STREET

City or town, state or country, and ZIP + 4

NEW HAVEN, CT 06511**F** Name and address of principal officer: **PATTI WALKER****67 TRUMBULL STREET, NEW HAVEN, CT 06510****D** Employer identification number**06-1600685****E** Telephone number**(203) 782-3192****G** Gross receipts \$ **5,567,705.****H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)**H(c)** Group exemption number ▶**I** Tax-exempt status: ☒ 501(c) (3) (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **WWW.CONTINUUMCT.COM****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: **1966** **M** State of legal domicile: **CT****Part I Summary**

Activities & Governance	
1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O	
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
3	Number of voting members of the governing body (Part VI, line 1a) 11
4	Number of independent voting members of the governing body (Part VI, line 1b) 11
5	Total number of employees (Part V, line 2a) 106
6	Total number of volunteers (estimate if necessary) 0
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12 0.
7b	Net unrelated business taxable income from Form 990-T, line 34 0.

Revenue	
8	Contributions and grants (Part VIII, line 1h)
9	Program service revenue (Part VIII, line 2g)
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Expenses	
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)
14	Benefits paid to or for members (Part IX, column (A), line 4)
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)
16a	Professional fundraising fees (Part IX, column (A), line 11e)
16b	Total fundraising expenses (Part IX, column (D), line 25) ▶
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)
19	Revenue less expenses. Subtract line 18 from line 12

Net Assets or Fund Balances	
20	Total assets (Part X, line 16)
21	Total liabilities (Part X, line 26)
22	Net assets or fund balances. Subtract line 21 from line 20

	Prior Year	Current Year
8		
9	5,164,424.	5,567,705.
10	28.	
11		
12	5,164,452.	5,567,705.
13		
14		
15	4,026,733.	4,486,849.
16a		
16b		
17	974,922.	1,171,767.
18	5,001,655.	5,658,616.
19	162,797.	<90,911.>
20	2,495,761.	2,172,132.
21	825,415.	592,697.
22	1,670,346.	1,579,435.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign
Here

Signature of officer

Date

PATTI WALKER, PRESIDENT & CEO

Type or print name and title

Paid
Preparer's
Use OnlyPreparer's
signature

Date

Check if
self-
employed ☐Preparer's identifying number
(see instructions)Firm's name (or
yours if
self-employed),
address, and
ZIP + 4**BLUM, SHAPIRO & COMPANY, P.C., CPA'S****29 S. MAIN STREET, P.O. BOX 272000****WEST HARTFORD, CT 06127-2000**

EIN ▶

Phone no. ▶ **860 561-4000**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No